

CERTIFIED MAIL

OCT 17 1983

Dear Sir/Madam:

We have considered your application Form 1023 for recognition of exemption from Federal Income Tax as an organization described in section 501(c)(3) of the Internal Revenue Code.

You were organized on [REDACTED] to organize bus trips for your friends and theirs.

Your income is derived from monies paid for bus trips. Any profit made on trips will be returned to participants in the form of reduction in price, refreshments on bus, prizes, side trips and etc.

Section 501(c)(3) of the Internal Revenue Code provides for the exemption from Federal income taxes of organizations which are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual. Contributions made to 501(c)(3) organizations are considered charitable contributions and are deductible.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations provides that in order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational or the operational test, it is not exempt.

Section 1.501(c)(3)-1(d)(ii) of the regulations provides that an organization is not organized or operated exclusively for one or more of the purposes specified in section 501(c)(3) unless it serves a public rather than a private interest. Thus, to meet the requirements of section 501(c)(3), it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family or shareholders of the organization.

An organization is organized exclusively for one or more exempt purposes only if its organizational document limits the purposes of such organization to one or more of the purposes specified under section 501(c)(3) of the Code. An organization is not organized exclusively for one or more exempt purposes unless its assets are dedicated to an exempt purpose.

Based upon the information you submitted, it has been determined that you do not qualify as an organization described in Section 501(c)(3) because you are operated primarily for the private benefit of your members.

Based on the information supplied, exempt status will not be recognized under any related section of the Internal Revenue Code.

Contributions to your organization are not deductible under Code section 170.

You are required to file Federal income tax returns on the form and for the years shown in the heading of this letter. File these returns with your key District Director for exempt organization matters within 60 days from the date of this letter, unless a request for an extension of time is granted. We will not delay processing of income tax returns and assessment of any taxes due because of your bringing suit for declaratory judgment under code section 7428. File returns for later tax years with the appropriate service center indicated in the instructions for those returns.

If you do not accept our findings, we recommend that you request a conference with a member of our Regional Office of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a conference. The conference may be held at the Regional Office, or if you request, at any mutually convenient District Office. If we do not hear from you within 30 days from the date of this letter this determination will become final.

A copy of this letter will be sent to the appropriate state officials in accordance with Section 6104(c) of the Internal Revenue Code.

If you do not protest this proposed determination in a timely manner, it will be considered as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,


District Director

Enclosure:
Publication 892